July/August 2007

Trendlines

Perspectives on Utah's Economy

High Skills & High Paying:
Professional, Scientific, Technical

Show Me the Money
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A Review of Utah's Industries

National Economy Cools, Mountain West Stays HOT

Plus
Utah's Best Places to Work

Department of Workforce Services

Trendlines

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The Workforce Development and Information Division generates accurate, timely, and understandable data and analyses to provide knowledge of ever-changing workforce environments that support sound planning and decision-making.

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Trendlines

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A Review of Utah's Industries

Important information about this issue:

How do we identify and categorize industries? By using the federal government's North American Industry Classification System (NAICS), the accepted and official way of identifying industries. But identifiers like high technology, life sciences, or energy have also emerged in the economic vocabulary even though they are not found in the NAICS structure. Their use, therefore, requires identifications that must be subjectively constructed by combining selected NAICS codes. Because these industries are of mixed origin, we at Workforce Services label them as "hybrid" industries. Several are being profiled in this issue of Trendlines. The NAICS codes used for their identity and measurement have been assembled by the economic staff at Workforce Services.

For a brief explanation of NAICS go to this link: http://www.bls.gov/sae/saewhatis.htm

contents

Utah's housing situation appears to be on solid footing

And that's a good thing. We're talking about the housing downturn that has the potential to wound the United States economy. Fortunately, Utah's housing situation appears to be on solid footing. Prices have risen recently, but the market doesn't appear excessively priced or overbuilt. Southwest Utah stands out as the lone exception.

Prices have risen sharply for the past two years along the Wasatch Front, but in relation to the national average price of a home, there was room for Utah home prices to rise just to come in line with the national average.

The best thing that happened to Utah during the national house-price explosion that began in 2002 is that Utah was very late to participate. Nationally, investor monies fleeing the stock market and into housing combined with historically-low mortgage rates to create a "perfect storm" in the national housing market. Buying was driven to a frenzy, dramatically pushing up prices. Home building went crazy and the national market became overbuilt. The price of this economic transgression is now coming due, and we are anxiously watching the U.S. economy to see how it weathers this housing and mortgage bust.

The key point is that Utah didn't participate in these transgressions and, therefore, Utah's economy is not threatened by a bad housing environment. Utah actually had the "perfect antidote" to this housing "perfect storm." Right when it developed nationally, Utah's 1980s baby boom reached the age of entering its home-buying years. The Utah market built homes like never before over the past four years, but it was just trying to keep pace with the surge in its local home-buying demographics. Talk about perfect timing to avert trouble! Utah should currently thank its economic guardian angel.

To follow the latest economic events: http://jobs.utah.gov/wi/press/tlextra/tlextracurrent.asp

Unemployment Rate

(Seasonally Adjusted)

	May 2007 (f)	April 2007 (r)	April 2006 (r)
Utah	2.5	2.5	3.0
United States	4.5	4.5	4.6

Job Growth

	May 2007 (f)	May 2006	Percent Change	April 2007 (r)	April 2006	Percent Change
Utah	1,250.5	1,196.5	4.5	1,247.9	1,193.5	4.6
United States			1.4			1.4

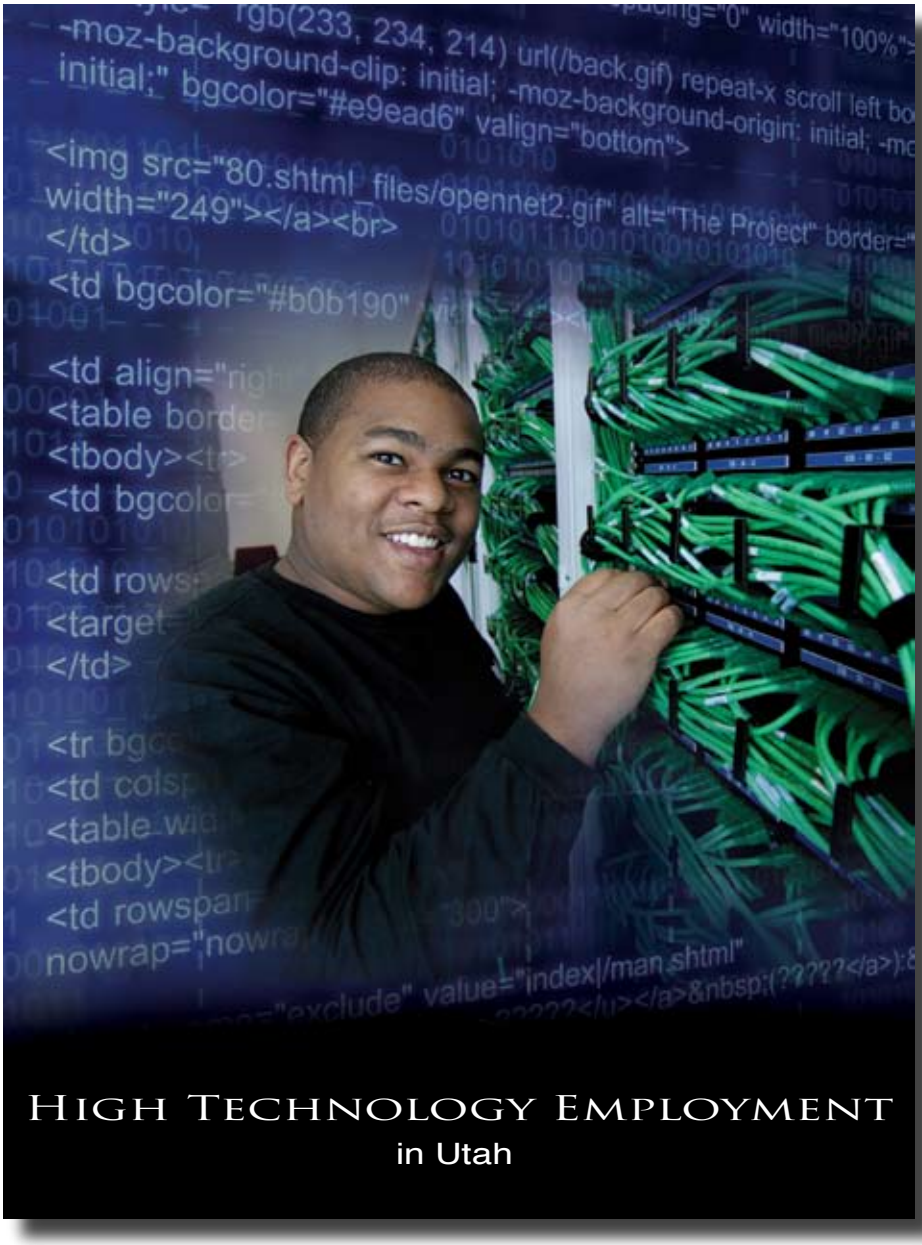
Source: Utah Department of Workforce Services.
f = forecast; r = revised

Did you know...

- New housing permits issued across Utah in this year's first quarter continued to tumble, indicating a housing slowdown could be around the corner. http://deseretnews.com/dn/view/0,1249,660221326,00.html

- Utah's "Life Elevated" promotion is increasingly striking a responsive chord with potential out-of-state tourists.

- Utah's tourism director says she is optimistic the state will outperform the rest of the country in visitor growth this summer. http://deseretnews.com/dn/view/0,1249,660222268,00.html



Utah's technology community is **growing** *but hasn't made a dynamic comeback yet...*

Let's take a look at the hybrid industry called high-technology. There is no NAICS code specific to high-technology. Utah's Governor's Council of Economic Advisors created a high-technology definition several years ago, and that is the definition employed here. Applying that yardstick, Utah's technology community—as measured by employment—is growing, but hasn't made a dynamic comeback yet from the employment losses experienced earlier this decade.

High-technology employment in Utah peaked in December 2000 at 67,700. Then followed what some call the "dot com" bust, and employment fell by 17 percent to 56,300 by March 2003, the business cycle's low point.* Thereafter, high-technology employment started its slow rebound, and as of the end of 2006 had risen to 65,000—just 4 percent below its previous December 2000 peak. However, even though the industry is growing, it still hasn't regained its overall position in the Utah economy. Whereas in December 2000 high-technology employment accounted for 6.1 percent of all Utah employment, it currently stands at 5.2 percent, the same share it had declined to by March 2003.

The largest high-technology industries in Utah are computer systems design, aerospace, medical equipment manufacturing, and software development. The overall Utah economy grew by 4.9 percent in December 2006. If we remove the high-technology portion of employment and recalculate state employment growth, it remains at 4.9 percent. This suggests that although high-technology employment is growing, it is largely treading water, keeping pace with the overall economic flow. It is currently not a leader within the Utah economy. That is currently being spearheaded by other industries.

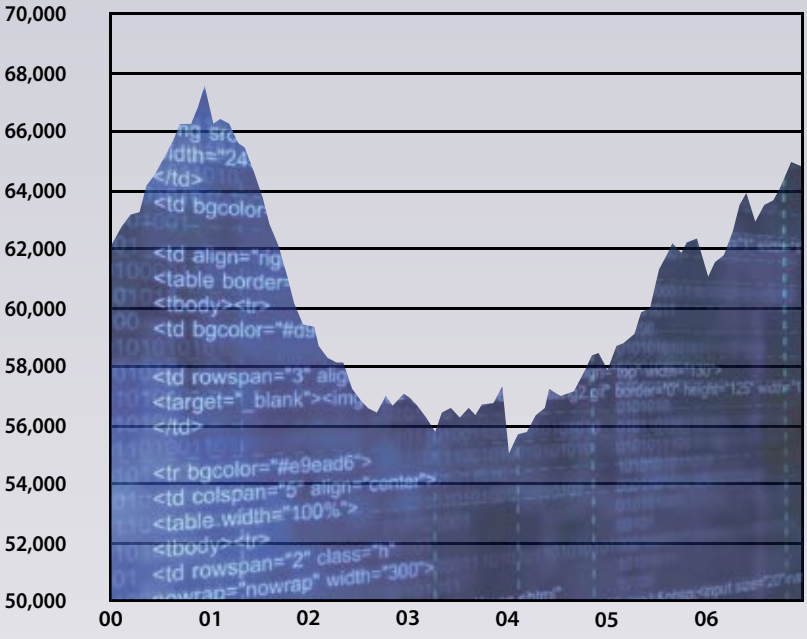
Males account for 70 percent of the high-technology labor force. Females do outnumber males in the medical equipment manufacturing sector, but that is the only area. Ignoring gender and looking instead at age distribution, it is largely a normal distribution with a slight bend towards the young. Looking at ten-year age groups, those 25 to 34 make up 29 percent of the labor force, the largest percentage within any ten-year age distribution.

**The employment low point on the graph is January 2004, but that reflects an accounting change and not a real employment loss as a large employer was reclassified out of a high-technology NAICS code and into another area.*

High-Technology Industries December 2006	Employment
High Technology Total	64,962
Computer Systems Design	13,982
Aerospace	8,054
Engineering Services	7,693
Medical Equipment Mfg.	7,594
Software	5,368
Physical, Engineering, Biological Research	4,106
Semiconductor Components Mfg.	3,601
Electrical Instrument Mfg.	3,379
Communicatons Equip. Mfg.	3,084
Internet Service Providers	2,826
Motion Picture Production	1,691
Testing Laboratories	1,251
Wireless Telecommunications	805
Computer Equip. Mfg.	605
Carbon Graphite Mfg.	508
Optical Lens Mfg.	152
Satellite Telecommunications	114
Other Telecommunications	82
Postproduction	42
In-Vitro Diaganostic Mfg.	25

Source: Governor's Council of Economic Advisors; Utah Department of Workforce Services

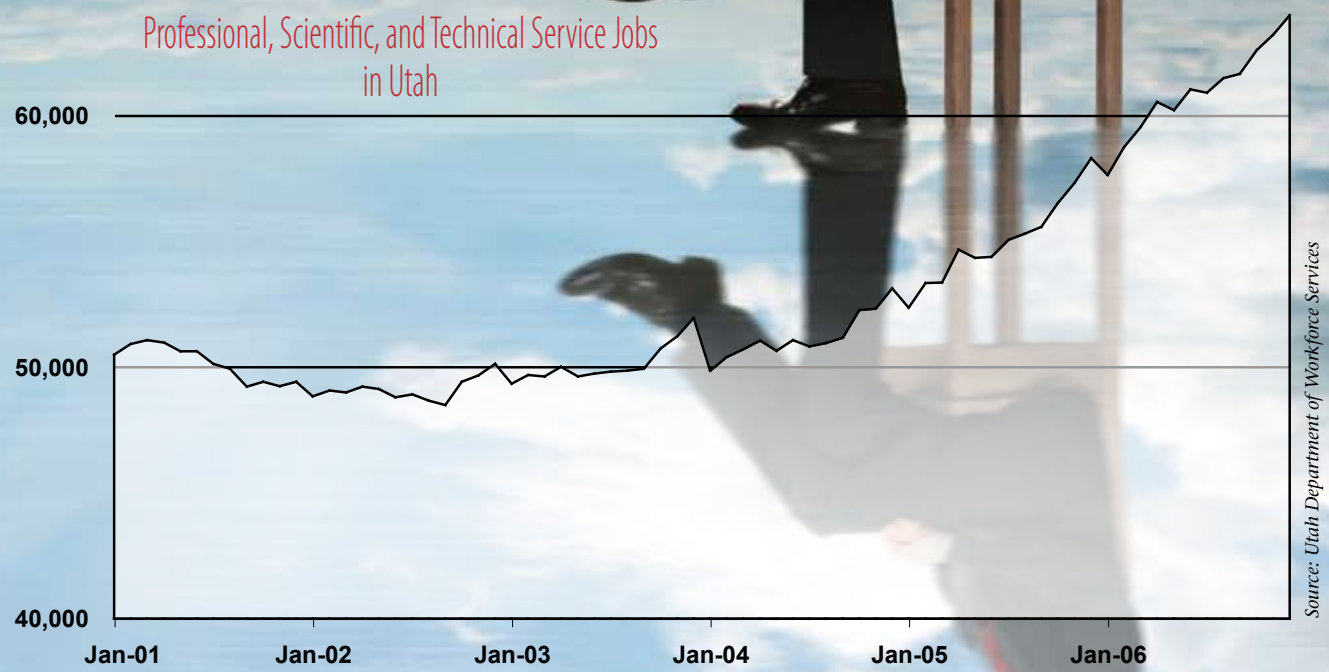
Utah High Technology Employment
January 2000 – December 2006



Source: Utah Department of Workforce Services

The largest high-technology industries in Utah are computer systems design, aerospace, medical equipment manufacturing, and software development.

High Skills and High Paying



Professional, Scientific, and Technical Services

For the last two-to-three years the Utah economy has been racing along. From the summer of 2004 through the end of 2006 there were 146,000 new jobs created, an increase of 13.3 percent. Construction and other housing-related sectors (building supply, real estate, mortgage finance, etc.), along with the energy boom in the Uintah Basin were major drivers of the current expansion. One underappreciated economic sector that has contributed a great deal to Utah's economic expansion has been professional, scientific, and technical services (PSTS).

The PSTS industry sector is very diverse and includes businesses that perform specialized activities—for industries, households, or individuals—requiring a high degree of expertise and training. The technical and professional services within this industry group include: legal advice and representation; custom computer programming and computer system design; engineering and architectural services; management, marketing, scientific and technical consulting; accounting, payroll and tax services; scientific research, development and laboratory testing services; market research and public opinion polling; veterinary services, specialized design services; photographic services; and other PSTS activities.

The distinguishing feature of this industry group is the selling of expertise with most activities being dependent on worker skill rather than equipment and materials. Qualifications to provide PSTS services typically require a high degree of training or education, and often require formal certification.

Because of the relatively high level of skill and education, wages within the PSTS sector are well above average. In 2006, the PSTS average annual wage was about $53,000, or 53 percent higher than the average of 34,600 for all Utah nonfarm jobs. There were $3.2 billion in total payroll wages in this industry, or 7.8 percent of the total Utah 2006 nonfarm payroll of $41.7 billion.

Of the 1.24 million nonfarm jobs in Utah at the close of 2006, the PSTS sector employed 64,000 or 5.1 percent of the total (see graph). From July 2004 through December 2006, PSTS industry employment increased by 13,200, or 26 percent—almost double the total job growth rate of 13.3 percent for all nonfarm industries. The five largest activities contributing to the employment increase of 13,200 were: custom computer programming and computer system design (3,300 jobs); management, marketing, and technical consulting (3,000 jobs); engineering services (1,600 jobs); legal services (1,000 jobs); accounting, payroll, and tax services (800 jobs).

The high-skilled and high-paying service jobs in the professional, scientific, and technical industry sector directly employs an increasing number of Utahns, giving ongoing impetus to Utah's hot labor market. In addition, this industry provides critical expertise and support to all other industries in the state.

One underappreciated economic sector that has contributed a great deal to Utah's economic expansion has been professional, scientific, and technical services.

Professional, Scientific, and Technical Services in Utah

	2006 Average Employment	Change in Employment July 2004 to December 2006	
		Amount	Percent
Legal Services	8,308	971	12.9%
Custom Computer Programming	8,050	2,599	44.0%
Engineering Services	7,273	1,553	25.3%
Management, Marketing, & Other Consulting Services	6,512	3,073	74.1%
Accounting, Payroll and Tax Services	6,022	1,577	33.5%
Scientific Research and Development Services	4,142	514	13.8%
Computer Systems Design Services	3,707	650	20.7%
Advertising Services	3,422	504	16.3%
Marketing Research and Public Opinion Polling	2,608	(18)	-0.7%
Architectural Services	1,906	510	33.1%
Veterinary Services	1,746	278	17.9%
All Other Professional, Scientific, and Technical Services	7,292	982	14.6%
Total Professional, Scientitic, and Technical Services	60,987	13,193	26.0%

While the energy-related boom of the past several years has greatly increased both employment and tax revenues, it has also strained local economies...

Like stars shimmering in the night sky, the twinkling lights of cities throughout the West are made possible, in part, by Utah's energy industries. Below ground, the state's large reserves of coal and gas—and today to a lesser extent, oil—provide the raw fuel stocks to fire power plants, warm homes, power vehicles, and light cities. To these ends, an array of firms, from those that utilize the raw resources, to the companies that transmit energy and all the firms in between, operate in Utah.

However, to speak of the "energy" industry is to speak of something artificial, ethereal. The economic statistics gathered by state and federal sources do not denote a single energy industry—likely because energy-related activities are so diverse that a single category would do the sector an injustice. For those reasons, energy is a hybrid group of 23 industries, which captures the essence of the state's energy industries. This hybrid industry had a banner year in 2006, posting an average annual employment of roughly 15,000—1.3 percent of the state's total employment—and a payroll in excess of $987 million—2.4 percent of all wages paid in the state.

In fact, the energy cluster's stars aligned, if you will, in 2005 when it experienced strong double-digit job growth—12.5 percent in that year and an additional 13.5 percent in 2006. This performance rivaled that of many of the state's industries. However, to put this in perspective, because of the cluster's small size relative to the state's economy, a 13.5-percent increase resulted in the addition of only 1,809 new jobs. With the growth figures from the past years in hand it would appear that all of the state's energy industries are expanding, but is this really the case?

In truth, Utah's energy cluster has boomed as of late because of the oil and gas subgroup of industries. From drilling, extraction, and refining, oil and gas has provided roughly two-thirds of all new energy-related jobs in the last two years. This subgroup is the engine of the cluster. While other subgroups are important contributors to energy's employment portfolio, their very nature precludes them from being engines of growth in their own right. For example, industries in the energy generation subgroup, because of the vast capital expenditures needed to add capacity, are unlikely to be high-growth drivers of the cluster—even though their internal need to replace an aging workforce may temporarily increase their demand for new labor.

Energy's other subgroups share a similar story. Energy transmission employment, which made up 20 percent of the cluster's jobs in 2006, has been flat for many years. On the basis of this historical data, additional job gains in this important industry subgroup are not likely in the coming years. While jobs in energy construction are showing an up-tick in the last few years, the feast-or-famine nature of this subgroup doesn't suggest it as a future driver for the sector either.

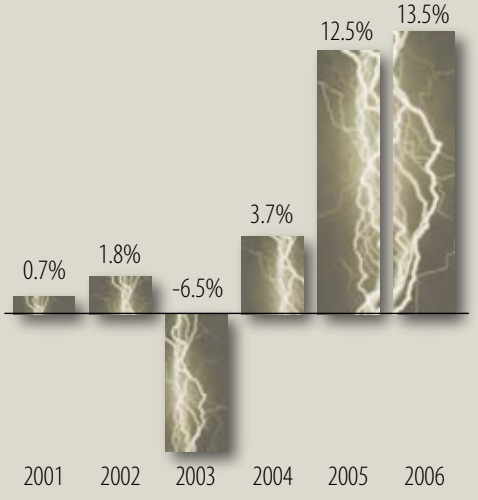
Another important contributor to energy employment is the mining subgroup, which has added jobs in the last three years, but appears to be plateauing in the latest data. On the other hand, the prospect of new coal and uranium mines coming online could be the catalyst for increased job growth in this subgroup. A further employment boost from the development of the state's oil shale and tar sands deposits is still years off, if possible at all.

Any discussion of Utah's energy industries would be incomplete without a few words on the consequences of the cluster's growth. Much of this activity is located in the eastern rural counties of the state which have small populations and limited financial resources. While the energy-related boom of the past several years has greatly increased both employment and tax revenues, it has also strained local economies and government services. For example, the potential labor force in many counties has been practically used up. This has forced wages to rise in nearly every industry, with those not keeping pace struggling to keep workers. Additionally, large transient worker populations have stressed local law enforcement budgets; a lack of affordable housing makes it difficult to attract non-energy-related workers to the area, and a multitude of infrastructure shortcomings confound development. These are just a few of the many local concerns related to Utah's energy industries.

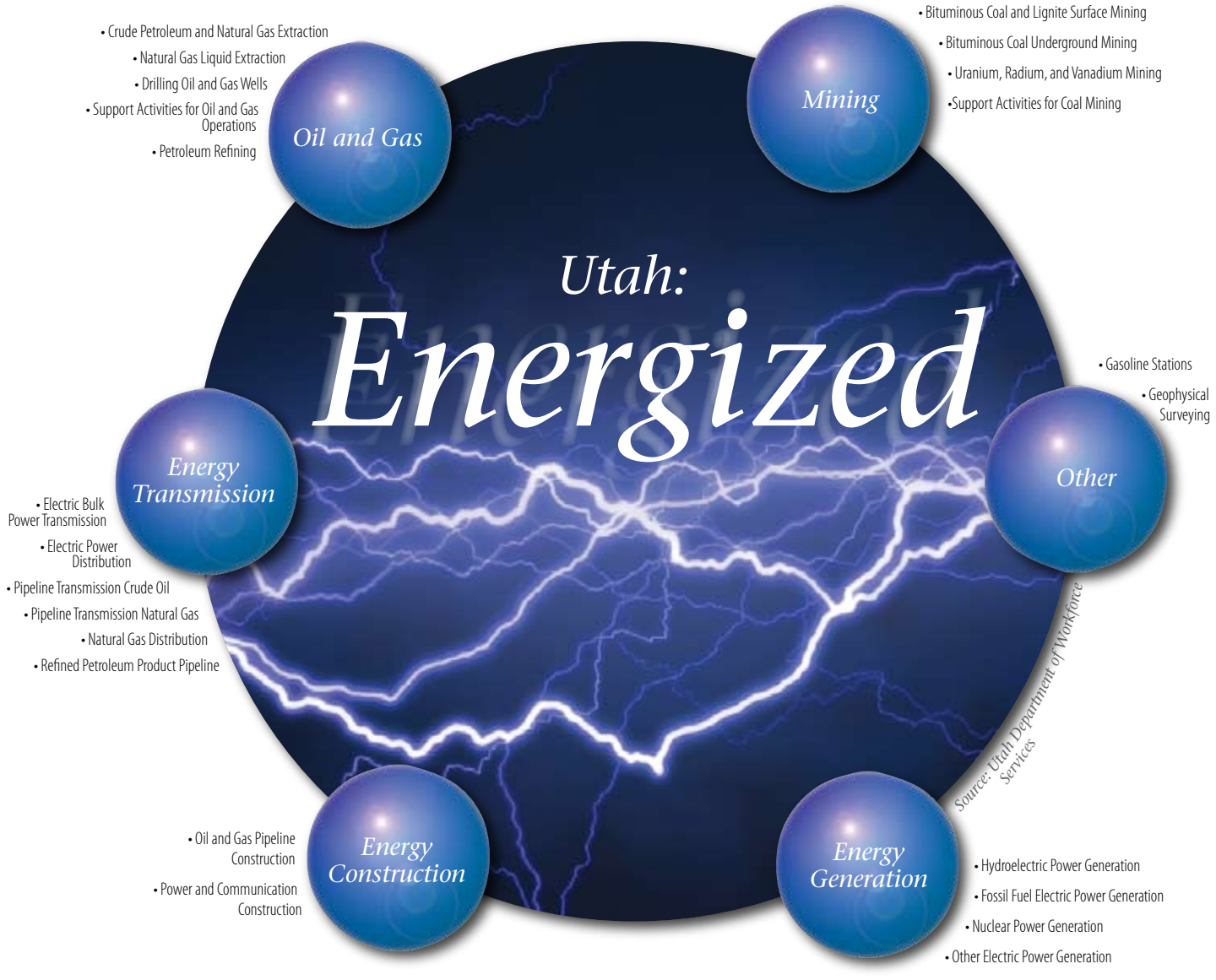
After shaking off a rather uninspired performance at the beginning of the decade, Utah's energy cluster has shown remarkable strength in the past two years. Going forward, the oil and gas subgroup of industries will likely continue in its role as the job-growth driver of the cluster. However, its ability to grow at current rates is far from assured—even in today's energy-hungry world economy. Unless local concerns are addressed, the companies that make up the state's energy cluster will find it difficult to find and keep workers. That said, at this time Utah's energy cluster certainly is energized.

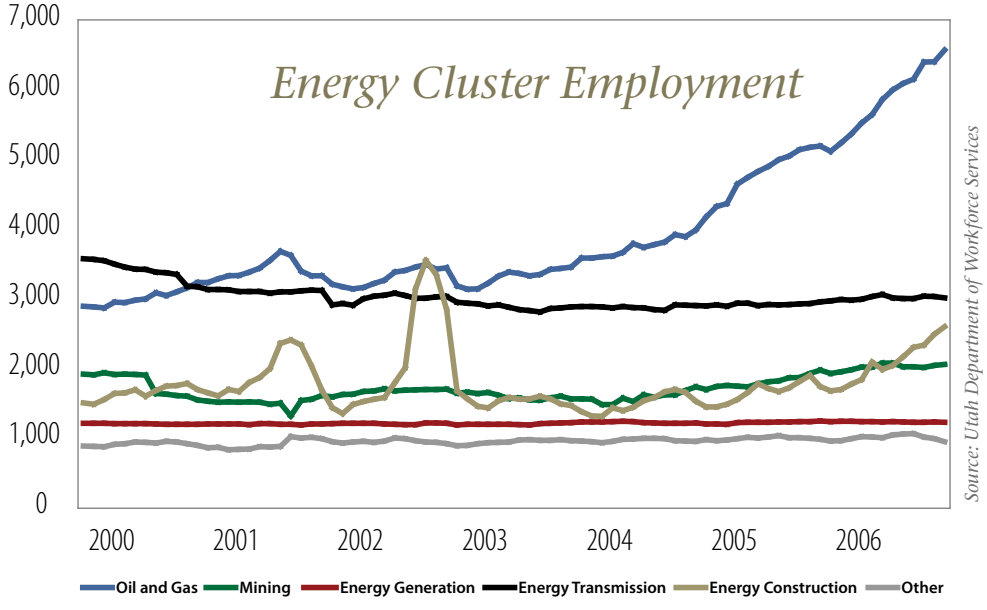
Utah's Energy Cluster

Year-over Job Growth Performance



Source: Utah Department of Workforce Services


Utah:
Energized
Oil and Gas
• Crude Petroleum and Natural Gas Extraction
• Natural Gas Liquid Extraction
• Drilling Oil and Gas Wells
• Support Activities for Oil and Gas Operations
• Petroleum Refining
Mining
• Bituminous Coal and Lignite Surface Mining
• Bituminous Coal Underground Mining
• Uranium, Radium, and Vanadium Mining
• Support Activities for Coal Mining
Energy Transmission
• Electric Bulk Power Transmission
• Electric Power Distribution
• Pipeline Transmission Crude Oil
• Pipeline Transmission Natural Gas
• Natural Gas Distribution
• Refined Petroleum Product Pipeline
Other
• Gasoline Stations
• Geophysical Surveying
Energy Construction
• Oil and Gas Pipeline Construction
• Power and Communication Construction
Energy Generation
• Hydroelectric Power Generation
• Fossil Fuel Electric Power Generation
• Nuclear Power Generation
• Other Electric Power Generation
Source: Utah Department of Workforce Services


Energy Cluster Employment
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2000
2001
2002
2003
2004
2005
2006
Oil and Gas
Mining
Energy Generation
Energy Transmission
Energy Construction
Other
Source: Utah Department of Workforce Services

Who's Number One?

The Industrial Answer Makes a Difference

One of the beauties of Utah's economy is the vast variety of economic experiences in its numerous counties. It certainly keeps an economist's job interesting. The industries that dominate county-level employment can greatly influence other indicators in an area's labor market. Is your county's major industry utilities or mining? If so, you can probably count on generating higher-than-average wages. Does the leisure/hospitality services industry (think tourism) account for the largest share of employment in your county? Then your labor force is probably quite seasonal with a high annual unemployment rate and lower-than-average wages.

Those who don't constantly immerse themselves in labor market data (like me) probably don't really know the major industry in their own particular county. You may not even know what the "major" industries are. Let's review. Major industrial groups under the North American Industrial Classification System (NAICS) include agriculture/forestry/fishing, construction, manufacturing, trade/transportation/utilities, information, financial activities, professional/business services, education/health/social services, leisure/hospitality services, other services, and government. In my own county of residence—Washington County—folks often believe that construction generates the most jobs—not so. Even during the height of a Washington County building boom, it's trade/transportation/utilities that employs the most workers. In fact, the largest industry in most counties will probably be a huge surprise: it's government.

Can This be True?

Is the public sector really the largest producer of employment for most of Utah's counties? It is. In tiny Daggett County, the public sector accounts for 55 percent of all nonfarm employment. Piute County isn't far behind with 48 percent of nonfarm workers holding a government job. Even in Juab and Wasatch counties, government accounts for one-fifth of total nonfarm jobs. Although, statewide, the trade/transportation/utilities industry takes top honors, the largest industry in 18 of Utah's 29 counties is government—federal, state, and local.

Think Public Education...

The large number of public sector jobs may cause "big government" critics a little heartburn. However, when one considers that public schools and higher education are included in the government job counts, this state of affairs makes more sense. For many less-populated counties, the local school district is often the largest employer. And, throwing in public colleges/universities, national/state parks and regional prisons to the mix explains why government employment takes the lead in many local areas.

The Other Side

In an additional five counties, the trade/transportation/utilities industry leads the employment pack. Millard and Emery counties trace this ranking to a high concentration

of utilities jobs. Salt Lake and Washington counties show high concentrations of trade positions, while Sevier County shows a higher-than-average share of jobs in trucking.

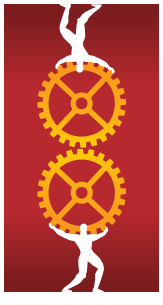
Not surprisingly, four counties which rely heavily on tourism for economic support—Garfield, Summit, Grand, and Kane—show leisure/hospitality services as the industrial "top dog." This industry includes, hotels/motels, amusement/recreation, and food-and-drink-serving establishments.

Then there are the loners. In Box Elder County, manufacturing wins the prime industry spot. In Utah County, private education/health/social services provide the most employment. This just might have something to do with that large private university in Utah County whose initials are BYU.

Again, keep in mind that your economy's major industries will flavor your county's economic experience. Average wages, unemployment rates, seasonality, susceptibility to business cycles, and so on can all be traced to variations in industrial mix.

For more information about your county's economy, see: http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do

The industries that dominate county-level employment can greatly influence other indicators in an area's labor market.



Largest Industries by County

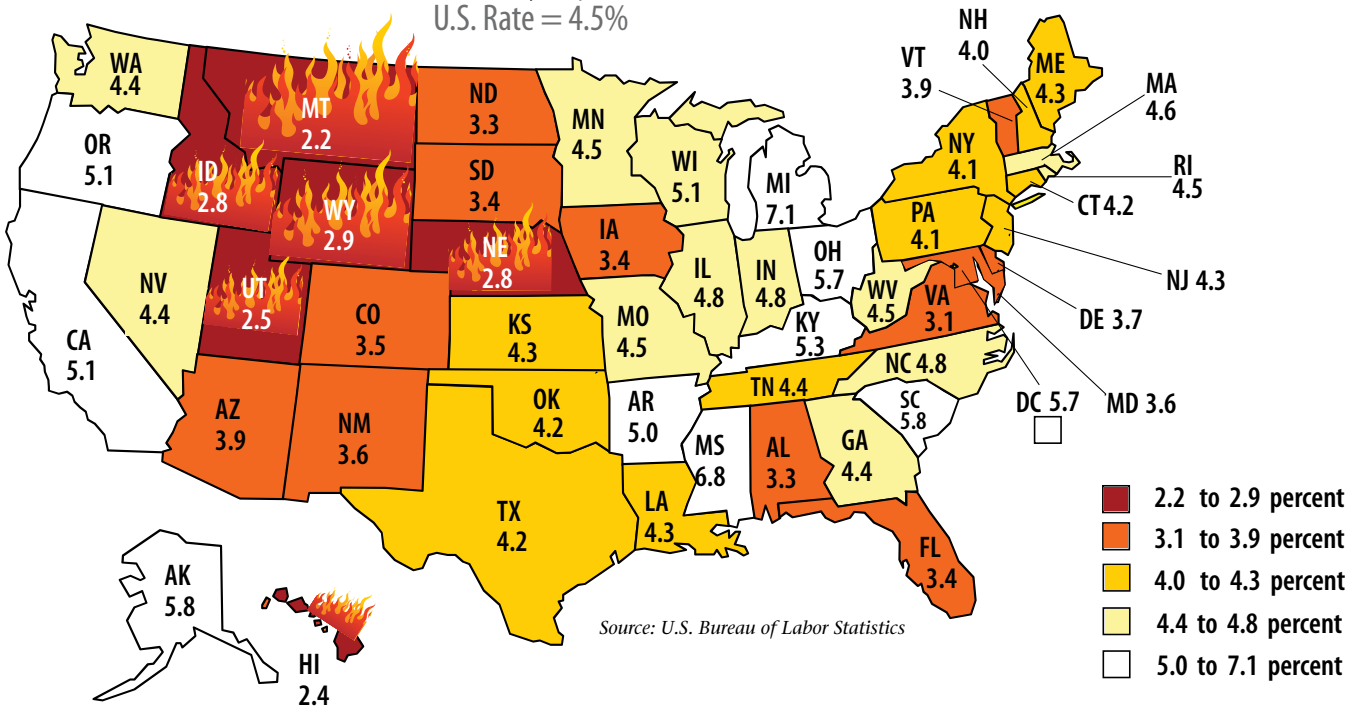
Share of Total Nonfarm Employment • 2006

County	Percent	Largest Industry
Daggett	55%	Government
Piute	48	
San Juan	44	
Sanpete	39	
Beaver	35	
Rich	32	
Duchesne	29	
Tooele	29	
Wayne	28	
Iron	26	
Davis	25	
Carbon	25	
Cache	24	
Weber	22	
Uintah	22	
Morgan	21	
Juab	20	
Wasatch	20	
Millard	33	Trade/Transportation/ Utilities
Sevier	31	
Emery	28	
Washington	23	
Salt Lake	21	
Garfield	38	Leisure/Hospitality Services
Summit	36	
Grand	32	
Kane	28	
Box Elder	40	Manufacturing
Utah	21	Private Education/Health/ Social Services

Source: Utah Department of Workforce Services

Unemployment Rates

for States April 2007
Seasonally Adjusted
U.S. Rate = 4.5%

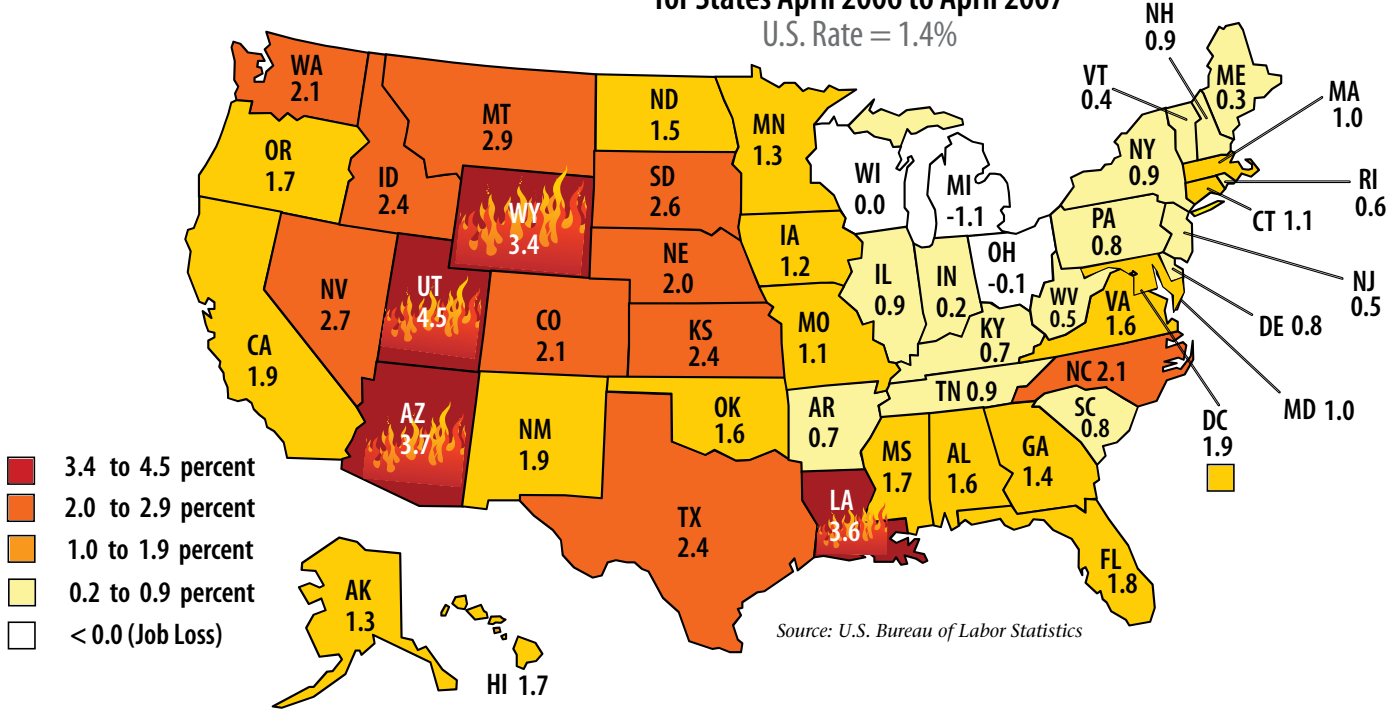


Source: U.S. Bureau of Labor Statistics

Percent

Change in Employment

for States April 2006 to April 2007
U.S. Rate = 1.4%



Source: U.S. Bureau of Labor Statistics

National Economy Cooling

Hot in the Mountain West

Over the past year, the United States economy has been slowing. In the first quarter of 2006 the year-over growth rate in total output (as measured by real Gross Domestic Product) was 3.7 percent. By the first quarter of 2007 this growth rate had slowed to 1.3 percent. Likewise, monthly year-over growth in national nonfarm employment was about 2.0 percent at the beginning of 2006, having slowed over the past 12 months to year-over growth of 1.4 percent in March 2007.

As economic activity and employment growth have decelerated, the unemployment picture nationally has actually improved slightly. In the first quarter of 2007 the U.S. unemployment rate averaged 4.5 percent, which compared favorably to the average 4.7 percent recorded a year earlier. A national unemployment rate between four and five percent is considered by most economists to be "full employment," a level consistent with the natural movement of workers in and out of the labor force and workers changing jobs. Unemployment rates substantially below current levels would be indicative of a significant labor shortage and are likely inflationary, as employers would bid up wages to meet their worker staffing needs.

Labor market conditions always vary significantly among the states. The largest nonfarm employment gains over the past year, to April 2007, were: Utah (4.5 percent), Arizona (3.7 percent), Louisiana (3.6 percent), Wyoming (3.4 percent), Montana (2.9 percent), and Nevada (2.7 percent). The mountain west region of the country is outpacing all other areas for job opportunities.

The states with the lowest unemployment rates in April 2007 were: Montana (2.2 percent), Hawaii (2.4 percent), Utah (2.5 percent), Idaho (2.8 percent), Nebraska (2.8 percent), and Wyoming (2.9 percent). These six states, with unemployment rates below 3 percent, are experiencing labor shortages.

Utah's strong and vibrant economy leads among the states in employment growth rate; its 4.5 percent year-over increase is over three times the national rate of 1.4 percent. Among the 50 states, Utah ranks first in construction job growth, second in finance, trade and transportation and manufacturing job growth, and third in mining job growth.

The following links provide more information and the latest measurements of national and state comparative labor force statistics:

- *http://www.bls.gov/news.release/pdf/empsit.pdf*
- *http://www.bls.gov/news.release/pdf/laus.pdf*

Utah's strong and vibrant economy leads among the states in employment growth rate.

Have you ever used banking services? Most people will borrow money at some point in their lives, whether it is for college, a car, a house, or something else. Banks also provide a safe place to keep money while offering loans, credit, payment and other services that consumers depend upon. Tellers, financial analysts, loan officers, and financial service sales agents are just some of the jobs at banks. Although overall employment in the industry is expected to decline by 2 percent by 2014 due to automation, many job openings will still result from turnover. Opportunities will be best for those with good sales, technical and communication skills. Let's look at a few of these occupations.

Banking opportunities will be best for those with good sales, technical and communication skills.

When you think of banks, teller is probably the first occupation that comes to mind. These workers are about one-fourth of a bank's workforce, and are responsible for handling routine transactions for customers. Tellers must be able to pay attention to detail, and have excellent math and communication skills. Most tellers have a high school diploma, and many work part-time. Increasingly, banks rely on tellers to provide superior customer service while identifying potential sales opportunities. In Utah, this occupation is projected to have approximately 450 new openings per year. Most of these openings will result from the need to replace workers rather than from business growth.

Financial analysts provide guidance to individuals and businesses to help them in their financial decisions. They read company financial statements and analyze variables like costs, revenue, and taxes to determine whether the security is a good investment. Using spreadsheets and other software assists them in spotting trends and making forecasts. Financial analysts work at banks, insurance firms, investment firms and other businesses. Because of the high wages and above-average growth, this occupation is listed by the Utah Department of Workforce Services as a four-star job. It usually requires a bachelor's degree, and the applicants who have earned a professional designation will have the best opportunities.

Securities, commodities and financial services sales agents perform a variety of tasks related to buying and selling stocks and other financial products. They may also counsel a client about investment decisions. Although the wages and job opportunities can be quite good, they must often devote considerable time to building a clientele for their services. Because of this, turnover can be high for beginning agents. To begin, securities sales agents must pass a licensing exam, and individuals in this field can earn more credentials such as certified financial planner. Competition for entry-level jobs is intense. The most desirable applicants will have sales experience, a high level of motivation, and good communication skills. Because of the number of job openings and high wages, the Utah Department of Workforce Services has selected this as a 5-star occupation.

Are you interested in a career in banking or finance? Check out our Web site to learn about more occupations and job opportunities in this industry at www.jobs.utah.gov/wi.

Occupation	Utah Average hourly wage	Star Rating	Training Level
Tellers	$9.70	3	High School Diploma
Loan Officers	$19.80	2	Bachelor's Degree
Financial Analysts	$26.00	4	Bachelor's Degree
Financial Managers	$33.70	5	Bachelor's Degree
Securities, Commodities and Financial Services sales agents	$28.90	5	Bachelor's Degree

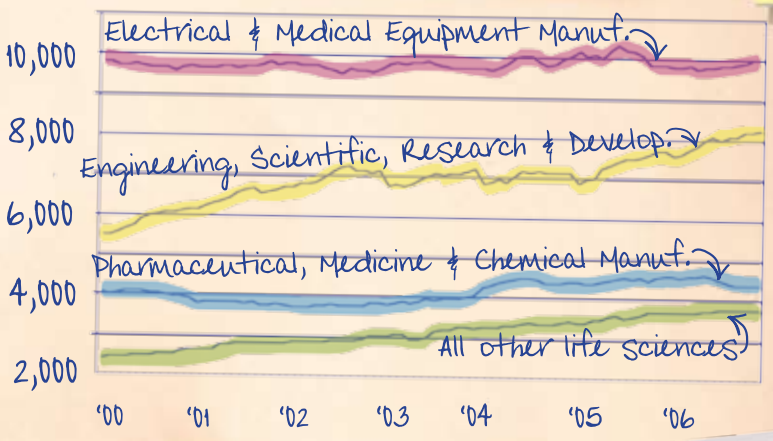
Source: Utah Department of Workforce Services

Show Me the Money

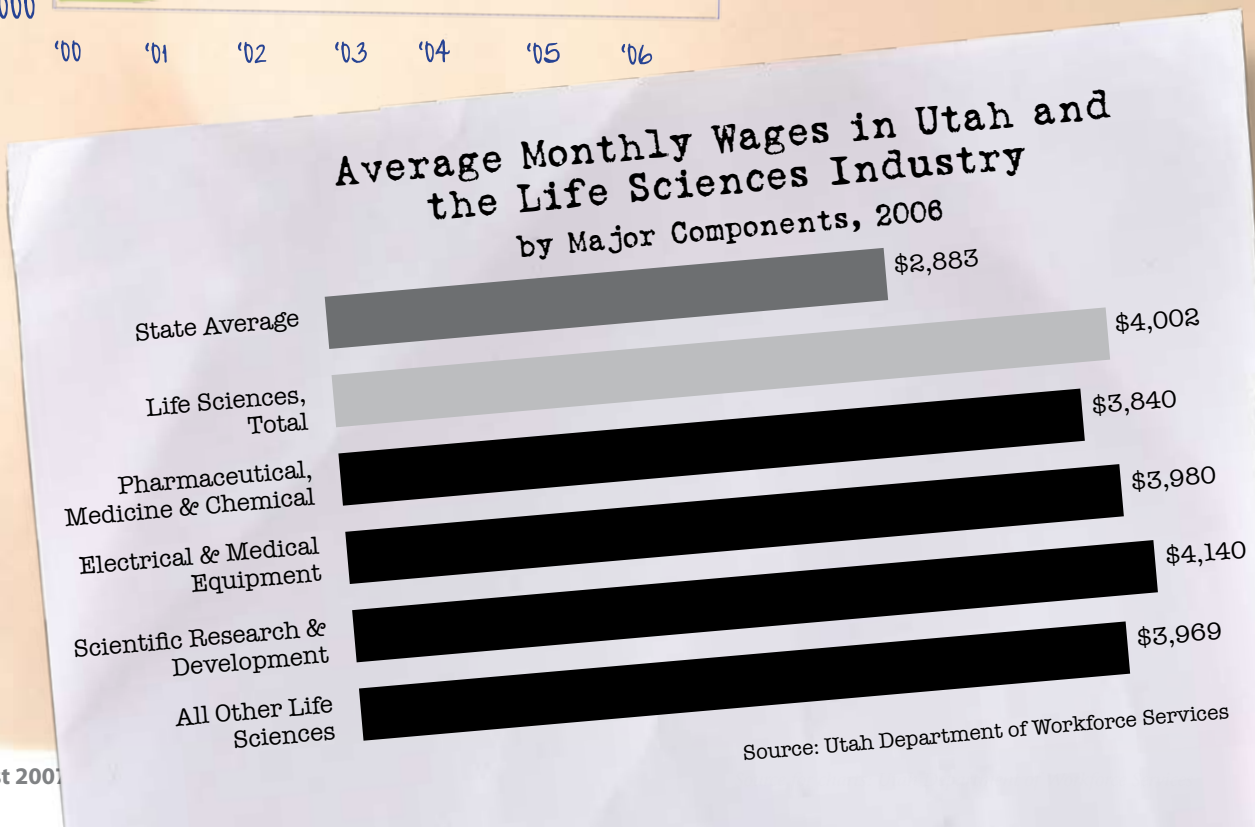
Source: Utah Department of Workforce Services

Utah's Life Science Industry

In 2006, the life science industry accounted for around 26,100 jobs in Utah--with an average monthly wage of $4,000.



Employment in Life Sciences Industry (by major components)



Ahh, Life is Good!!

Utah, like many other states, tries to identify industries in its economy that might provide a comparative advantage. Programs are designed to stimulate these industries by various economic incentives. The Utah Governor's Office of Economic Development has identified life sciences as one of its key industries.

One of the challenges in measuring the life sciences industry is that it doesn't exist—well, at least within the current federal government coding structure used to measure industries. In reality, the life science industry is a hybrid of bits and pieces of other industries, such as manufacturing, professional and business services, and health care. Utah's life science industry encompasses a broad range of activities that include basic chemical and biological process, scientific laboratories, and medical equipment and supplies.

In 2006, the life science industry accounted for around 26,100 jobs in Utah, or slightly more than 2 percent of all nonfarm employment statewide. These jobs typically pay above-average wages. The average monthly wage for all nonfarm employment in Utah for 2006 was around $2,900. However, the average monthly wage for life science jobs was $4,000—well above the state average. This pay disparity reflects the need for higher levels of knowledge, skills, and training in math and sciences; which are essential to the success of the life science industry. This places its pay range among the top industries in the state, along with mining, utilities, management of companies, and professional and business services.

In most industries, there are certain segments that drive economic growth. Fortunately, since 2000, the life science industry has been driven by employment growth in its highest-paying sector—engineering, and scientific research and development—adding more than 2,000 jobs. Medical laboratories have seen lesser employment growth. The largest concentration of employment is in electrical and medical equipment manufacturing, but it saw scant employment growth between 2000 and 2006. Likewise, pharmaceutical, medicine, and chemical manufacturing (including herbal supplement manufacturers) experienced modest employment growth.

Life science's most difficult challenge is finding a sustained pool of skilled labor. Utah's new USTAR (Utah Science Technology and Research) initiative is designed to supplement the expansion of life science and biotechnology jobs in Utah.

For more information relating to life sciences, USTAR and Utah industries try the following links:
http://goed.utah.gov/initiatives/clusters/definition.html
http://ustar.utah.gov/
http://jobs.utah.gov/opencms/wi/statewide/ifsheets

AN INDUSTRY ON STEROIDS

Construction continues to fuel the unprecedented growth experienced in Utah. It's an industry spooled up, tooled up, and seems to just keep growing, as long as it has the labor. Building jobs have grown at a rate three times the average in Utah since 1990. Growth, however, has not always been steady. In 2002, construction employment dropped significantly, but has bounced back since 2004.

The bottom graph on page 21 shows the phenomenal construction job growth rates over the last decade and a half, compared to the average state growth for all jobs. The state enjoyed the boom through the 1990s with employment growth rates peaking at about 6 percent (1994). This was a very strong showing for Utah, but it was eclipsed by the four-times higher rate of construction job growth.

Since 2000, construction has been one of the industries that has actually softened the impact of the 2002 recession. Of course, it didn't hurt that millions of dollars were funneled into building activity related to the 2002 Winter Olympics (venues, roads, rail). The economy, as well as the building and the financing industries, did feel the effects of the recession. Construction employment actually dipped in 2002, then the industry cranked up with huge job increases over the last three years.

High Growth

Over the 16-year period from 1990 to 2006 the construction industry grew from 28,500 to 96,300—that's about a 240-percent leap. In comparison, the state increase was 66 percent. Of the roughly 20 major industry sectors, not a single one even came close to construction's rate of growth. Evidence of the industry's high growth is its increased share of total jobs. In 1990, 4 percent of all jobs in the state were in construction. By 2006, that proportion had doubled, to 8 percent.

On the Horizon

Booming demand, often driven or accompanied by creative financing, has spurred on the residential construction market. In response to this home buying, nonresidential construction that typically supports and follows residential development is also gearing up. Utah's "on-fire" economy is helping

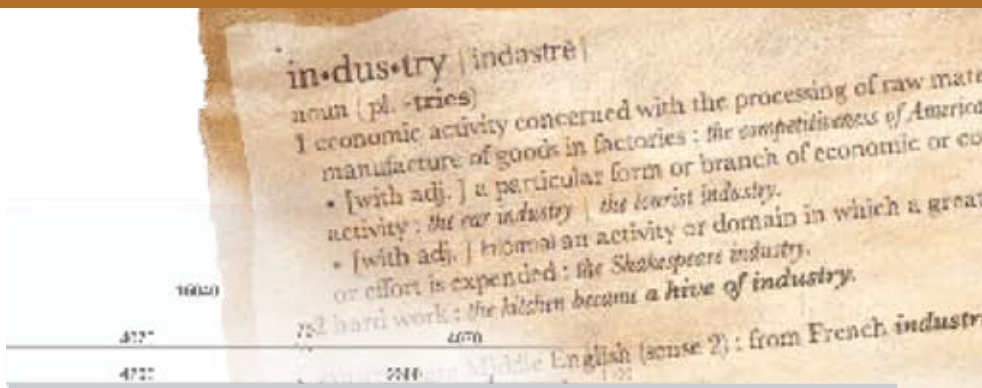
Notes from the Hill...Bureau of Business and Economic Research – Construction Report

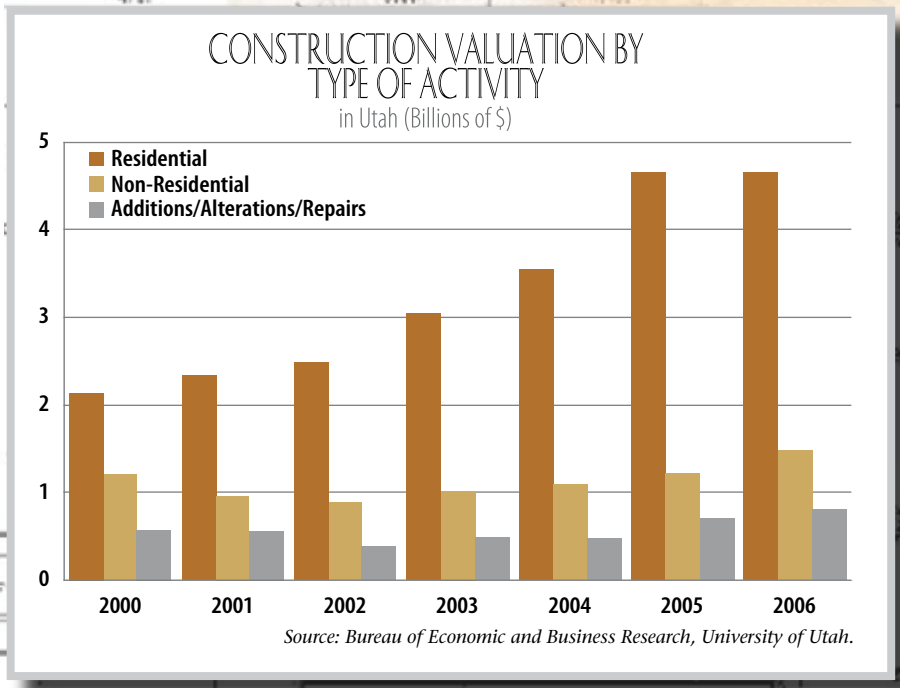
- The number of permits for single dwellings was high, but slowed slightly from the record 20,900 permits in 2005 (see graph).
- For the first time, Utah County issued more single-family building permits than Salt Lake County—5,329 to 4,584 for 2006.
- Residential building has slowed in Washington County with permits dropping by 40 percent between 2005 and 2006. Lehi out-paced St. George in the number of single-family permits issued.
- Nonresidential construction was the heavy hitter in construction in 2006, buoyed by demand for nonresidential industrial, retail, and office building. Total non-residential valuation for 2006 was $1.6 billion, up 30 percent from 2005.
- The strength in the housing market can be attributed simply to low interest rates and high demand.

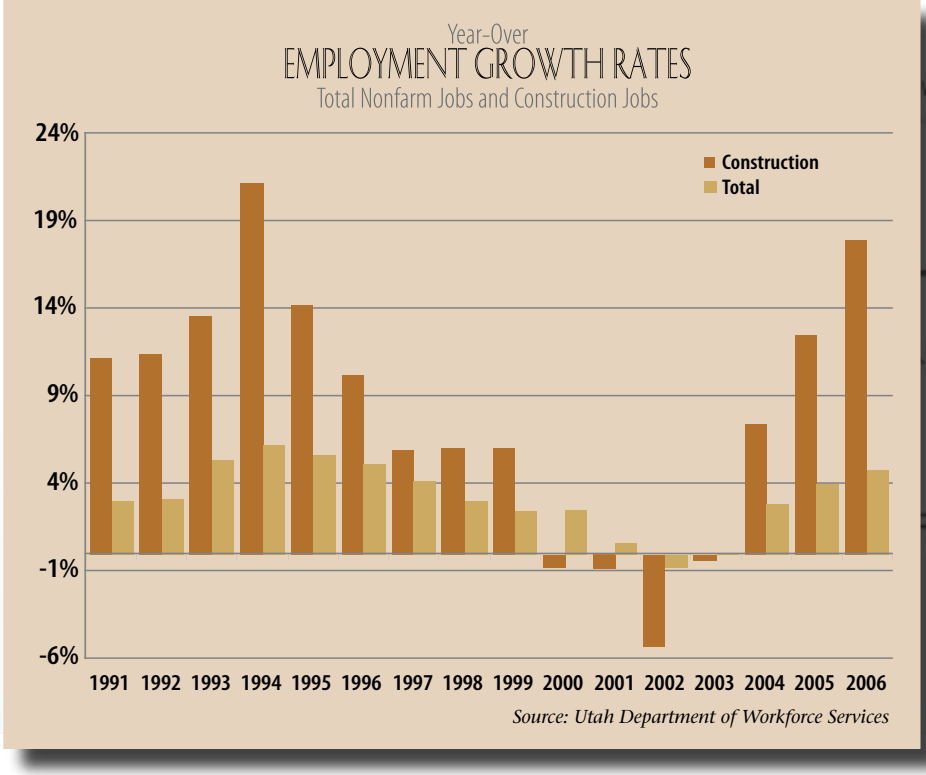
to continue the boosted demand. The state has become very attractive to new businesses, which create new jobs. Of course, Utah's highest-in-the-nation employment and population growth rates don't hurt either. All of this, added to net in-migration and natural increase, continues to fuel the fire of high growth for construction.

For more information on construction see:

- *http://jobs.utah.gov/opencms/wi/statewide/ifsheets/construction.pdf*
- *http://www.business.utah.edu/display.php?&pageId=1690*
- *http://www.business.utah.edu/display.php?pageId=1137*
- *http://www.bls.gov/iag/construction.htm*





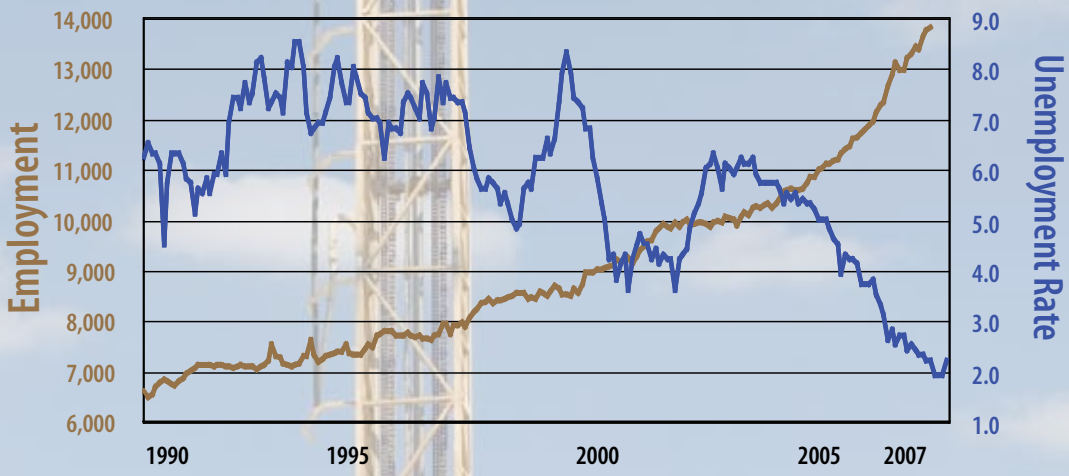


Uintah County

Uintah County currently enjoys robust economic growth. The economy has been driven by expansion in the goods-producing industries, particularly mining for oil and gas. The strong economy has driven Uintah County's unemployment rate down to historic lows. Since the end of the 2002-2003 recession, and with the mining industry firing on all cylinders, Uintah County's unemployment rate dropped from 6 percent to around 2 percent. As of April 2007, the seasonally adjusted unemployment rate was 2.2 percent. Employment has grown consistently since 1990, but the current expansion has been strongest in the high-wage, goods-producing industries, adding to the economic vitality of the region.

For more county information go the following site: http://jobs.utah.gov/jsp/wi/utalmis/goto-Counties.do

Uintah County Nonfarm Employment and Unemployment Rate
by month (Seasonally Adjusted)



Source: Utah Department of Workforce Services

Did you know...

- The mining boom is producing a construction boom too. Projects are springing up everywhere, including new roads, schools, home improvement stores, hotels, and housing.
- Workers are wanted—everywhere. Nearly every business in Vernal has the welcome mat out for workers. The retail sector, in particular, is facing stiff competition for workers from the construction and mining industries.
- Drilling activity appears to be leveling off in the Uintah Basin as the number of applications to drill (APD) has been trending downward thus far in 2007.

WHERE ARE UTAH'S BEST PLACES TO WORK?

For the ninth consecutive year, the Department of Workforce Services recognized and honored the best companies to work for in Utah. These are companies that are creating exceptional workplaces and businesses by effectively addressing employee work/life needs.

The Work/Life Awards honor employers that listen to employees and strive to create and maintain a culture of equity and opportunity in the workplace. The award showcases best practices and promotes their implementation in the business community. As the applicant pool has grown over the years, so has the creativity and ingenuity of businesses and business leaders.

At the Work/Life Awards Celebration luncheon in April, Governor Jon Huntsman, Jr., presented the awards, and business leaders from around the state enjoyed four cutting-edge, educational work/life workshops: Corporate Child Care as an Asset; Exceptional Workplace Makeovers; Personality Profiles—Achieving Peak Performance; and The Business Case for Flexible Work Arrangements.

The Utah Work/Life Awards highlight one of the greatest reasons that Utah is described as "Life Elevated"—companies that understand the importance of keeping their employees happy.

For additional information, please visit http://jobs.utah.gov/opencms/occ and click on Work/Life Awards, or call the Work/Life Award Team at the Department of Workforce Services (801) 526-4321.

Employees at America First Credit Union prepare for the Sub for Santa Drive.

THE WINNERS

Micro Category: 50 or fewer employees

- DoxTek, Inc.
- Utah Foster Care Foundation

Medium Category, 50-500 employees

- Digital Draw Network
- Futura Industries
- IntermountainFinancial Group/Mass Mutual
- Nicholas & Company
- Redmond Inc.
- Roofers Supply
- The Leavitt Group

Large Category, 500+ employees

- 1-800-CONTACTS
- America First Credit Union
- ARUP Laboratories
- Citi Cards
- Mountain America Credit Union
- Regence BlueCross BlueShield of Utah
- US Synthetic Corporation

Utah WORK LIFE 2007 Awards
Utah's Best Places to Work

Utah's Health Care

A Major System Ripe for Reform

The health care industry contributes 85,630 jobs and nearly $3 billion in wages directly to the Utah economy each year. Large employers like University of Utah Health Care, Intermountain Healthcare, HCA and others, provide acute and specialty care to the entire intermountain region, making Salt Lake City a regional center for health care services.

Utah's health care professionals provide care with distinction, offering among the lowest costs and best outcomes of any state in the country. Without doubt, the Utah economy is larger and stronger, and the quality of life in Utah is better, because of the contributions of the health care industry.

Even with such a stellar health care system, Utah's business community believes the system is ripe for reform. While many have difficulty accessing health care, the system inadvertently encourages over-consumption of health services (e.g. hiding the full cost from patients or doctors over prescribing to avoid lawsuits). As a result, health care expenditures consume 16 percent of our nation's gross domestic product and that share is growing.

Increasingly, large and small businesses, as well as individuals, cannot afford health insurance, leaving 13-16 percent of Utahns (300,000 to 400,000) without health care coverage. Moreover, businesses that provide insurance pay an estimated 17 percent more to cover the costs of services provided to the uninsured.

Business leaders believe that we have hit the tipping point for reform. It is time to act. If we don't tailor a homegrown solution, a top-down approach will be imposed that will impair our global competitiveness and stifle economic growth.

The Salt Lake Chamber has teamed with the United Way of Salt Lake to develop a comprehensive proposal for health care reform in Utah that will make high-quality health care available and affordable to all Utahns. Key elements of the proposal may include features such as:

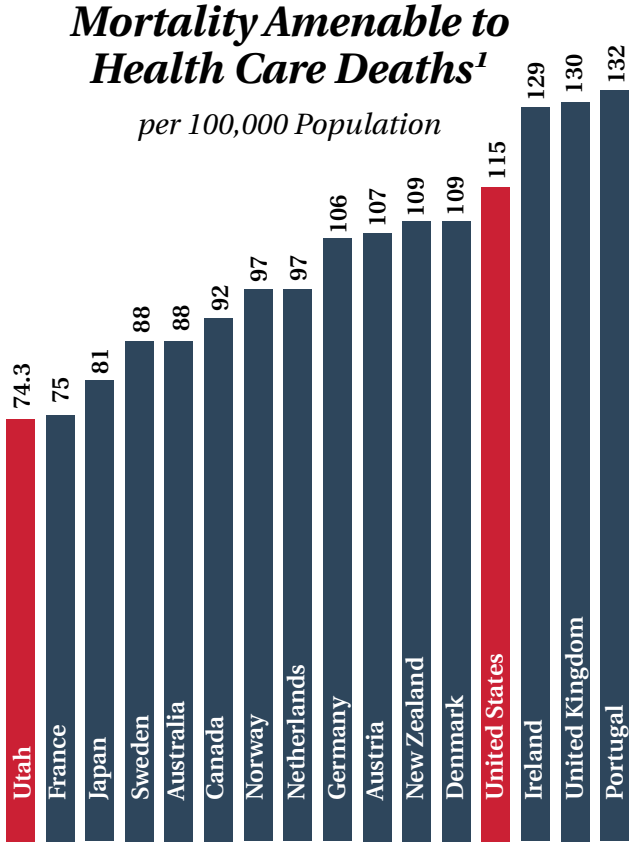
• *Portability*—The ability for people's health care coverage to move with them as their circumstances change.

• *Transparency*—Consumers deserve to know the quality and cost of their health care. A transparent system will allow consumers to choose health care options based on value.

• *Insurance exchange*—An exchange is a state-sponsored mechanism that will facilitate the purchase of health insurance by individuals, families and workers who do not currently have insurance. The exchange provides a legal structure to purchase health insurance using pre-tax dollars and will enable portability.

• *Health information technology*—Utah is in an enviable position to lead the nation in the implementation of health information technology, including endorsing and implementing national standards, security and electronic health records.

These are just a few of the many reform components that will be examined. If you would like to learn more, visit www.saltlakechamber.org.



Source: World Health Organization, Nolte and McKee, Rutgers Center for State Health Policy Standardized for age (1998) Utah from 2003, normalized for general US change from 1998

[1]A common measure for the quality of a health care system is known as mortality amenable to health care. The measure shows deaths from certain causes that should not occur in the presence of timely and effective health care. Utah scores very well in this regard, giving policy makers more flexibility in how they reform the health care system compared with the national average and other countries.

The Utah economy is larger and stronger, and the quality of life in Utah is better, because of the contributions of the health care industry.

2006 Health Cost per Capita

Selected States
Utah is Lowest Nationwide

Source: Kaiser Family Foundation, 2006

just the facts...

May 2007 Unemployment Rates

		Changes From Last Year	
Utah Unemployment Rate	2.5 %	Down	0.5 points
U.S. Unemployment Rate	4.5 %	Down	0.1 points
Utah Nonfarm Jobs (000s)	1,250.5	Up	4.5 %
U.S. Nonfarm Jobs (000s)	138,533.0	Up	1.4 %

April 2007 Consumer Price Index Rates

U.S. Consumer Price Index	206.7	Up	2.6 %
U.S. Producer Price Index	165.8	Up	3.2 %

Source: Utah Department of Workforce Services

April 2007 Seasonally Adjusted Unemployment Rates

Beaver	2.9 %
Box Elder	2.8 %
Cache	2.1 %
Carbon	3.2 %
Daggett	4.1 %
Davis	2.6 %
Duchesne	2.4 %
Emery	3.4 %
Garfield	4.0 %
Grand	4.8 %
Iron	2.7 %
Juab	3.1 %
Kane	3.0 %
Millard	2.5 %
Morgan	2.9 %
Piute	2.3 %
Rich	1.9 %
Salt Lake	2.5 %
San Juan	5.2 %
Sanpete	3.2 %
Sevier	2.6 %
Summit	2.2 %
Tooele	2.9 %
Uintah	2.2 %
Utah	2.4 %
Wasatch	2.4 %
Washington	2.5 %
Wayne	4.5 %
Weber	3.1 %

Watch for these features in our

Next Issue:

Theme:
Wages & Income

County Highlight:
Tooele

Occupation:
Machinists & Welders

Whatever the need, we've got solutions. Need a job? Need career direction? Or are you an employer looking for employees? We've got that, too.

jobs.utah.gov
careers.utah.gov

Utah Department of Workforce Services
Workforce Development and Information Division
140 E. 300 S.
Salt Lake City, UT 84111

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